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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

December 22, 2009

Certified Return Receipt  
7003 2260 0002 0247 8928

Jimmy Hodges  
676 North 100 West  
P.O. Box 1319  
Beaver, UT 84713

Subject: Deficient Reclamation Surety, Jimmy Hodges, Wah Wah Mine, S/021/0031, Iron County, Utah

Dear Mr. Hodges:

The Division of Oil, Gas and Mining has reviewed the reclamation surety for the Wah Wah Mine. This surety was due for review on April 30, 2005. Your current reclamation surety is \$6000, which the Division is holding as a letter of credit. The Division has recalculated the surety based on your permitted area of two acres to be:

\$11,700 escalated for 3 years (surety amount next reviewed in 2012) OR  
\$12,000 escalated for 5 years (surety amount next reviewed in 2014)

The Division uses standard per-acre costs to determine surety amounts for small mines. The figures used are shown in the following table:

Project Size (Acres)	Surety 3 & 5 year escalation	Comments
1 or less acres	\$7,400 (3-year escalation) \$7,600 (5-year escalation)	Minimum amount required
Additional acres up to 5 acres	\$4,300/ acre (3-year escalation) \$4,400/acre (5-year escalation)	Partial acreages rounded up (e.g., 1.2 acres = 2 acres)
Cumulative Amount for 5-acres	(i.e. Maximum of 5 acres = \$7,400 +\$17,200 = <b>\$24,600</b> ) (3-year escalation) (i.e. Maximum of 5 acres = \$7,600 +\$17,600 = <b>\$25,200</b> ) (5-year escalation)	\$600.00 difference between 3 and 5 year escalation amount for 5-acres of disturbance.

Jimmy Hodges  
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Based on the information in the NOI, the Division has determined that you must post additional surety in the amount of:

\$5700 for 3-year escalation OR  
\$6000 for 5-year escalation

Please note that the figures shown above are based on the permitted acreage. The Division inspected the site in 2009 and found the disturbed area to be 0.60 acres. The amount of surety required could be reduced if you were to amend the NOI to show one acre of disturbance.

If you decide to amend the NOI, please submit the amendment no later than February 15, 2010. In this case, the additional surety required would be \$1400.00 for a three-year escalation or \$1600.00 for a five-year escalation. Whether or not you choose to amend the NOI, the additional surety (\$1400.00 or \$1600.00 for one acre or \$5700.00 or \$6000.00 for two acres) needs to be filed with the Division by February 15, 2010.

Please contact surety coordinator, Penny Berry, 801-538-5291, for instructions on how to submit this increased surety. She can be reached at 801-538-5291 or by e mail at [bondcoordinator@utah.gov](mailto:bondcoordinator@utah.gov). If you have questions or concerns regarding this letter, please contact me at 801-538-5261 or Lynn Kunzler at 801-538-5310.

Sincerely,



Paul Baker  
Minerals Program Manager

PBB:jrp  
cc: [ed\\_ginouves@blm.gov](mailto:ed_ginouves@blm.gov)  
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